



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CAMPAIGN & POLITICAL FINANCE

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MEMORANDUM

TO: Interested Persons

FROM: Michael J. Sullivan, Director *mjs*

SUBJECT: Instructions For Candidates On The Use Of Depository Bank Accounts

Candidates for statewide office, Governor's Council, county offices and certain municipal offices are required by Section 19 of M.G.L. c.55 to designate a bank or other authorized financial institution (hereinafter referred to as "depository bank") as a depository for campaign funds.¹ These candidates are often referred to as "depository candidates." If any such candidate has established a political committee, the candidate and the committee must designate a depository bank. **No other candidate is required to open a depository bank account.**

These instructions will describe in general terms the establishment of a depository bank account, the use of a depository checking account, the procedure for filing a receipt report (CPF D106 Report of Receipts), and the use of checks for campaign expenditures. Candidates should consult the OCPF publication *Campaign Finance Guide: Statewide, County and Other "Depository" Candidates* or contact this office for further information on the campaign finance law and the depository system.

Establishing a Depository Account

The following is a summary of the forms that must be filed with OCPF by the candidate or candidate's committee when establishing a depository account. Candidates needing more information on the forms or the filing process should contact OCPF.

¹ The statewide offices are governor, lieutenant governor, secretary of state, attorney general, treasurer/receiver general, and auditor; the county offices are district attorney, clerk of court, register of probate, register of deeds, county commissioner, county treasurer and sheriff. The municipal offices include mayor and councilor at large in the cities of Boston, Cambridge, Lowell, Springfield and Worcester. The treasurers of each of the political committees of the state political parties are also required to designate a depository. Any references to candidates in this memorandum also apply to state party committees.



CPF 101 (Statement of Organization): This form lists the names and addresses of the committee chairman and treasurer as well as the candidate on whose behalf the committee is organized.

CPF D102 (Campaign Finance Report): This report is filed as an initial report at the time of designating a depository bank to disclose any activity occurring since the last election held for the office now sought by the candidate, or the ending date of the candidate's most recently filed campaign finance report.

CPF D103 (Certificate of Appointment of Depository): This form must be completed whether or not the candidate has a committee and whether or not such candidate opts to open a checking account with the designated depository bank at the time of designation. If a candidate does not have a committee and does not intend to accept contributions, make expenditures or incur liabilities, the candidate is not required to open an account with the depository bank although by law, a depository bank must still be designated. If a candidate does have a committee and intends to have that committee handle all campaign finance activity (as is usually the case), the candidate does not need to open a separate account, although the committee must. The depository bank must indicate the date such account was opened on **Form CPF D103**.

CPF D104 (Statement of Candidate Who Has Not Opened an Account in the Candidate's Designated Depository Bank): This form is filed when the candidate (1) does not intend to spend or receive any money **separate from the candidate's committee**, or (2) does not have a committee and does not intend to spend or receive any money.

Each of these forms should be filed with OCPF by the candidate/committee **prior** to raising or spending any money as a depository candidate.

Electronic Filing

Section 18C of M.G.L. c. 55 requires depository candidates and committees to file their campaign finance reports by electronic means. The requirement varies according to the type of committee or office sought:

- o Reports for candidates for the **statewide offices** of governor, lieutenant governor, state secretary, attorney general, state treasurer, and auditor are required to be electronically filed if total contributions or expenditures by the candidate or candidate's committee during their four-year election cycle are more than \$50,000.
- o Reports for candidates for the **Governor's Council** are required to be electronically filed if total contributions or expenditures by the candidate or candidate's committee during their two-year election cycle are more than \$5,000.
- o Reports for **state party committees** are required to be electronically filed if total contributions or expenditures by the committee during a two-year election cycle are more than \$10,000.
- o Reports for the candidates for **county office** (district attorney, clerk of court, register of probate, register of deeds, county commissioner, county treasurer and sheriff) and all candidates for **mayor or councilor-at-large in the cities of Boston, Cambridge, Lowell, Springfield and Worcester** are required to be electronically filed regardless of the amount of money raised or spent during the election cycle.

The depository banks used by these candidates and committees are also required to electronically file CPF D 105 Summary Reports and CPF D 106 Reports of Expenditures electronically using free software that is available from OCPF. Please contact OCPF for more information about electronic filing.

Making Deposits of Receipts

All monies received by a candidate or his committee must be deposited in the depository bank account. **Please note that all receipts must be deposited in the form in which they are received by the end of the seventh day following receipt.** The candidate or committee may use regular bank deposit slips and follow the usual procedures of the depository bank. The D106 report should be electronically filed with OCPF on the same day the deposit is made or shortly thereafter.

All receipts, including contributions, refunds and loans, are listed on the **CPF D106 Report of Receipts**. The candidate or committee creates a D106 report using *Depository Reporter*, the reporting software that is available at no charge from OCPF.

The D106 report must contain the following information for each receipt: 1) the date of deposit, 2) the form of tender, i.e. cash, check, etc.; 3) the name of each contributor who made a contribution of more than \$50 (or which together with all other contributions from such contributor in the same calendar year add up to more than \$50); 4) the contributor's residential address; 5) the amount of the contribution; and 6) the occupation and employer for each contributor who made a contribution of \$200 or more (or which together with all other contributions from such contributor in the same calendar year add up to \$200 or more).

After being electronically filed with OCPF by a candidate or committee, each D 106 report is grouped with the data filed by depository banks at the end of each period, as described later in this memorandum.

Issuing Checks for Expenditures

Any payment for campaign finance purposes made by or for the benefit of a depository candidate (or such candidate's committee) in excess of \$50 must be made by a check drawn on the depository bank account.² **Neither the candidate nor treasurer may be named as a payee of a check for more than \$50 and neither may receive more than \$500 during any reporting period.**

Each check for a depository bank account contains nine different general purposes listed on its face (codes 1-9), one of which must be chosen when the check is completed. (See M-92-02 "Statement of Specific Purpose" for assistance.) In addition, a box indicating the specific purpose of the expenditure must be completed. Such check should be made payable to a payee whose name and address are printed on the check. Regardless of the vendor who prints the depository checks, all the information must be contained on the check. An example of the front of a depository check is shown on the next page.

² A committee may use a credit card issued in the committee's name to make expenditures. However, credit card payments must be made by a check drawn on the depository bank account.

1 <input type="checkbox"/> TV, RADIO 2 <input checked="" type="checkbox"/> NEWSPAPER 3 <input type="checkbox"/> MEETINGS SPECIFIC PURPOSE (MANDATORY)	4 <input type="checkbox"/> PRINTING 5 <input type="checkbox"/> OFFICE 6 <input type="checkbox"/> TRAVEL <i>Advertising</i>	7 <input type="checkbox"/> SIGNS OR DISPLAYS 8 <input type="checkbox"/> TRANSFER OF FUNDS 9 <input type="checkbox"/> OTHER
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1/5/05

Pay One Hundred Dollars and no/100 \$100⁰⁰

Pay To The Order Of : The Daily News
 NAME 20 Main Street
 ADDRESS Anytown, MA 01234
 CITY - STATE - ZIP

CAMPAIGN ACCOUNT
 The Committee to Elect John Doe
 1234 Main Street
 Anytown, Massachusetts 01234
John P. Treasurer
 Authorized Signature

In order to cash a depository check, the payee must endorse the check below the following statement printed on the back: "The undersigned affirms under the penalties or perjury that he is the named payee of this check or an authorized officer thereof, that he or it performed the services or delivered the goods indicated hereon, that the payment is for the sole purpose of paying for such goods or service, and that no person other than the named payee has any interest, direct or indirect, in this payment."

Obligations of the Depository Bank

As checks are presented for payment, the depository bank itemizes a candidate's/ committee's expenditures on a **CPF D106 Report of Expenditures**. The D106 expenditure report includes the general purpose code number (1-9) from the face of the check as well as the specific purpose. If the general or specific purpose has been omitted, the depository bank enters an asterisk (*). **It is the responsibility of the person completing the check to ensure that this information is entered on each check.**

The depository bank is also responsible for summarizing the receipt and expenditure information for each depository account on a **CPF D105 Summary Report of Campaign Receipts and Expenditures**. The depository bank electronically files this summary information on the fifth of each month showing deposits and expenditures made during the previous month as well as the account balance through the last day of the previous month. From July through December, the bank of a depository candidate who is on the ballot that year must file reports twice each month. These reports are due on the fifth and twentieth of each month, covering activity through the first and fifteenth, respectively.

Reporting Obligations of the Depository Candidate/Committee

In addition, the depository candidate (and such candidate's committee) has an annual reporting responsibility with this office. The filing of a **CPF D102 Campaign Finance Report** is required once a year on or before January 20th. The **CPF D102** summarizes all monetary receipts and expenditures and itemizes in-kind contributions, assets and liabilities of the candidate or committee for the previous calendar year.

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If you have any questions concerning depository bank accounts and procedures, please contact OCPF at (617) 727-8352 or 800-462-OCPF. Further information is also available at the office's website, www.mass.gov/ocpf.